

Annual General Meeting

October 2021



heart of the
south west
local enterprise partnership

2020-21 AGM

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- Key points from the AGM will be posted on Twitter
- A summary of the event will be published on the LEP website, press release & via LinkedIn
- Questions and answers will be published on the LEP website

Individual attendees' comments will be quoted anonymously. Please respect fellow attendees by not quoting comments directly on social media that identifies individuals without their permission.

2. Minutes



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3. Annual Report



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4. Overview of Finances



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Summary

1. 20/21: capacity added for delivery & sector leads
2. Reduced income 21/22 onwards due to
 - no further topslice
 - uncertainty over core funding in 21/22 and beyond
3. Reserves to operate “as is” for c.8 months of 22/23 with 21/22 grant
 - contingency through F&R for non-payment of 21/22 grant: c.4months “as is” operation 22/23

Income & Expenditure

	2019-20		2020-21	
	£m	£m	£m	£m
Income				
Grant from Government	0.700		1 0.588	
Local area match funding	0.150		0.150	
Additional local area contributions	0.661		1.148	2
Cashflow interest	0.358		3 0.176	
Draw from reserves			0.469	4
		1.869		2.531
Expenditure				
Salaries & Expenses	0.469		5 0.504	
Admin & office costs	0.171		0.088	
Service level agreements	0.671		0.738	6
Governance	0.014		0.020	
Enabling Fund	0.150		7 0.064	
LEP review	0.119		-	
Operational delivery	0.307		0.232	8
		1.901		1.646
Surplus of (Deficit) for the year		(0.032)		9 0.885

1. 19/20 included additional LEP Review monies
2. "Additional area contribution" includes GBF topslice monies
3. Reduction through downturn in market rates and reduced balance of project funds held
4. Careers Hub, supply chain & Growth Hub
5. New Head of Delivery post to improve delivery focus
6. SLAs: leads in place for digital, rural, photonics, tourism, fishing lead added
7. Enabling Fund: repayable from Enterprise Zones to 24/25
8. Reduced spend e.g. no World Nuclear conference
9. Added to reserves for future operations

Reserves

General reserves

as at 1st April
Transfer between reserves
Surplus/ Deficit for the year
As at 31st March

Earmarked reserves
as at 1st April
Transfer between reserves
Surplus/ Deficit for the year
As at 31st March

Total reserve as at 31st March

	2019-20 £m	2020-21 £m
General reserves as at 1st April	1.818	1.629
Transfer between reserves	0.000	(0.750)
Surplus/ Deficit for the year	0.019	0.033
As at 31st March	(0.208)	0.785
	1.629	1.697
Earmarked reserves as at 1st April	0.519	0.513
Transfer between reserves	(0.163)	(0.188)
Surplus/ Deficit for the year	(0.019)	(0.033)
As at 31st March	0.176	0.100
	0.513	0.392
Total reserve as at 31st March	2.142	2.089

=£885k 20/21 surplus

To cover future running costs of the LEP

- ‘General reserves’ – providing future running costs of the LEP (see next)
- ‘Earmarked reserves’ – specific activity being delivered by funding through the LEP, e.g. IT, redundancy contingency

Future Expenditure

1. Reduced income through no topslice & uncertainty over future core funding; reserves make up difference
2. 22/23: able to operate at current capacity for c8 months
 - in reality shortfall would be eliminated by adjusting costs & possibly future core grant

	2020-21 original budget		2021-22		2022-23	
	£m	£m	£m	£m	£m	£m
Expenditure						
<u>For operations</u>						
Salaries & Expenses	0.504		0.568		0.568	
Admin & office costs	0.109		0.094		0.094	
Provision for revenue exchange	0.072		0.017		0.000	
Enabling Fund	0.150		0.120		0.000	
		0.835		0.799		0.662
<u>For delivery</u>						
Thought Leadership	0.053		0.053		0.053	
Opportunities Delivery	0.195		0.177		0.177	
Inward Investment Delivery	0.017		0.017		0.017	
Business, People & Place delivery capacity	0.764		0.824		0.809	
Transparency & governance	0.038		0.028		0.028	
		1.067		1.099		1.084
Total planned expenditure		1.902		1.898		1.746
Funding						
<u>Funding assuming 1x core grant from Govt and giving LEP 2 year forward funding</u>						
Operating core grant	0.500		0.500		0.000	
Area annual contributions	0.165		0.150		0.150	
Enabling fund repayment	0.200		0.060		0.060	
		0.865		0.710		0.210
Additional area contributions	0.769		0.000		0.000	
Use of reserves	0.268		1.188		0.901	
		1.037		1.188		0.901
Funding surplus/ (shortfall)		0.000		0.000		(0.635)

Reserve 31st March: £2.089m

5. Adoption of Accounts



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